

Message Text

LIMITED OFFICIAL USE

PAGE 01 MANILA 08393 150902Z

13

ACTION L-03

INFO OCT-01 EA-11 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-03 INR-11 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SP-03 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-07 SS-20

STR-08 CEA-02 DOTE-00 FAA-00 DRC-01 /131 W

----- 118237

P 150803Z JUL 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 5208

LIMITED OFFICIAL USE MANILA 8393

E.O. 11652: N/A

TAGS: EGEN, EFIN, ETRD, RP, US

SUBJECT: PHILIPPINES ECONOMIC NEGOTIATIONS

1. FINANCE SECRETARY VIRATA, ACCOMPANIED BY FELLOW CABINET MEMBERS MELCHOR AND PATERNO, DISCUSSED THE FUTURE OF THE NEGOTIATIONS WITH ALDRICH IN PRE-DINNER DISCUSSION JULY 14. THEY APPARENTLY HAD SEVERAL MEETINGS DURING THE WEEKEND WITH PRESIDENT MARCOS TO DISCUSS BOTH ECONOMIC NEGOTIATIONS AND CIVIL AVIATION DISAGREEMENT, SO THEY WERE ABLE TO PRESENT A FIRM DECISION. ESSENCE OF DECISION IS THAT GOP WANTS TO MAKE ITS EFFORTS ON TRADE FIRST IN MULTILATERAL NEGOTIATIONS. THUS, BILATERAL TRADE NEGOTIATIONS SHOULD BE DEFERRED INDEFINITELY, ALTHOUGH THEY EXPRESSLY DID NOT RULE OUT POSSIBILITY OF COMBINING NEGOTIATIONS SO AS TO PICK UP SOME ITEMS IN BILATERAL AGREEMENT AND OTHERS IN MULTILATERAL NEGOTIATIONS AND GSP.

2. IN RESPONSE TO ALDRICH QUESTION WHETHER GOP WISHED IN ANY EVENT TO CONCLUDE NEW ECONOMIC TREATY IN ADVANCE OF TRADE NEGOTIATIONS, VIRATA SAID THAT GOP WOULD BE PREPARED TO DO SO, NOTING THAT AMERICAN BUSINESS WOULD DOUBTLESS FEEL MORE CONFIDENT IF THERE WERE SUCH AN AGREEMENT. ALDRICH

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MANILA 08393 150902Z

SAID WE THOUGHT A TREATY ALONG LINES OF OUR DRAFT WOULD BE

IN INTERESTS OF BOTH COUNTRIES, BUT EMPHASIZED THAT THE CHOICE RESTED WITH GOP AND THAT USG BELIEVED WE COULD MANAGE WITHOUT A TREATY IF THAT WERE PHILS WISH.

3. VIRATA INDICATED THAT GOP WOULD PROBABLY BE PREPARED PURSUE TREATY NEGOTIATIONS IN THE AUTUMN, NOTING THAT HE EXPECTED TO BE IN WASHINGTON IN EARLY OCTOBER FOR WORLD BANK MEETING. HE CONCLUDED, HOWEVER, WITHOUT COMMITMENT, BY SAYING THAT WE SHOULD KEEP IN TOUCH ON TIMING. HE WOULD NOT BE DRAWN OUT ON SUBSTANCE OF TREATY, RESPONDING MERELY THAT US PROPOSALS ON NONDISCRIMINATORY TREATMENT AND PROHIBITION OF NEW LIMITATIONS ON INVESTORS WOULD BE GIVEN CAREFUL STUDY.

4. IT WAS AGREED THAT WE WOULD TELL THE PRESS THAT PRESENT TALKS HAD BEEN USEFUL AND THAT NEGOTIATIONS WOULD CONTINUE BY MEANS OF CONTACT THROUGH THE EMBASSY LEADING TO A FURTHER NEGOTIATING SESSION, PROBABLY IN THE AUTUMN. PANELS WILL WORK OUT BRIEF PRESS STATEMENT IN THEIR FINAL MEETING TODAY.

5. IT IS CLEAR THAT GOP IS MISCONSTRUING REASON FOR US TEAM'S PRESENCE IN MANILA AT THIS TIME. MELCHOR ASSERTED IT WAS TO REASSURE US BUSINESS COMMUNITY. ALDRICH EXPLAINED THAT USG BELIEVED IT WAS MAKING MAJOR CONCESSION BY BEING READY TO WORK OUT BILATERAL TRADE AGREEMENT WITH GOP AND THAT THIS CONCESSION, AND TEAM'S PRESENCE IN MANILA WERE INTENDED TO BE RESPONSIVE TO PHIL INTERESTS, AS WE UNDERSTOOD THEM, AND PARTICULARLY TO SHOW OUR GOOD FAITH IN RESPONSE TO PRESIDENT'S EASING OF TRANSITIONAL PROBLEMS BY ISSUANCE OF LAND DECREE AND WILLINGNESS TO ISSUE FURTHER DECREES ON RETAIL TRADE AND ANTI-DUMMY LAWS.

6. COMMENT: GOP CLEARLY IS NOT YET READY TO NEGOTIATE ON FUTURE ECONOMIC RELATIONS AND PROBABLY FIRST WANTS TO SEE RESOLUTION OF US TRADE BILL AND OTHER PERCEIVED US DOMESTIC PROBLEMS. CONTINUED QUESTIONING OF US TEAM'S AUTHORITY TO NEGOTIATE SEEMS DESIGNED TO CONVEY THAT MESSAGE.
SULLIVAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, AGREEMENTS, PRESS COMMENTS, NEGOTIATIONS, DIPLOMATIC DISCUSSIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 15 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974MANILA08393
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740188-0699
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740749/aaaabprj.tel
Line Count: 99
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION L
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 08 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08-Aug-2002 by rowelle0>; APPROVED <27 MAR 2003 by GolinoFR>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PHILIPPINES ECONOMIC NEGOTIATIONS
TAGS: EGEN, EFIN, ETRD, RP, US, (VIRATA), (ALDRICH)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005